

Application for Air Pollution Control Tax Exemption Certificate

General Information

Issued under authority of P.A. 451 of 1994, as amended. Filing is mandatory.

PART 1 SOURCE IDENTIFICATION. This section pertains to the facility where the air pollution control equipment is located.		
1. Company Name		2. AQD Source ID (SRN)
Address (Street, P.O. Box, RR#)		3. Primary SIC Code
City, State, ZIP		4. County
5. Name of Taxing Authority _____ <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village		
6. Describe the major process or processes of the pollution control equipment at the facility.		
7. Enter the total value of requested tax exemption. Indicate whether value is "Estimated" or "Final" by checking the appropriate box. (If cost is estimated, you must supply the final cost within 90 days of completion of construction.) \$ <input type="checkbox"/> Estimated <input type="checkbox"/> Final		

PART 2: TECHNICAL CONTACT/PREPARER. Technical contact should be able to respond to technical questions concerning this application. Enter Preparer information, if different than Technical Contact.		
8. Technical Contact Name		Position/Title
E-mail Address	Telephone Number	Fax Number
9. Preparer Name		Position/Title
Company Name	Telephone Number	Fax Number
Company Mailing Address		

PART 3: COMPANY REPRESENTATIVE. Name and address for Tax Exemption response.		
10. Company Representative Name		Position/Title
Mailing Address (Street or RR#, City, State, ZIP)		
E-mail Address	Telephone Number	Fax Number

I certify that all the information contained in this tax exemption application is true and correct to the best of my knowledge.

Signature of Company Representative		Date	
FOR OFFICE USE ONLY			
Application Number	Reviewed By	Date	LUCI Code

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Air Pollution Control Equipment Description

PART 4: GENERAL INFORMATION

13. AQD Source ID (SRN)		14. Emission Unit
15. Describe the air pollution control equipment, the operational procedure, how it will minimize or control air pollution, and any function the equipment serves that is other than for ambient air pollution control. Include non-air pollution control uses.		
16. Permit Number/Permit Exemption Rule	17. Beginning Date of Construction	18. Projected/Completion Date of Construction

PART 5: EQUIPMENT AND COST DETAILS. For the equipment associated with the air pollution control that is claimed to be exempt, provide a description, total cost, and the portion of the total cost being claimed as exempt for each of the items listed. If an item does not exist, indicate "N/A." **The shaded area in items 19-24 (the Exemption Factor and Exemption Value) are for Office Use Only.**

19. Describe the air pollution control equipment. Provide plans, specifications and drawings showing position of equipment relative to outer shell of building.	Total Cost \$	
	Portion Claiming Tax Exempt \$	
	Exemption Factor 100% or _____%	Exemption Value \$
20. Describe the stack and specify other process/processes equipment associated with this stack.	Total Cost \$	
	Portion Claiming Tax Exempt \$	
	Exemption Factor 100% or _____%	Exemption Value \$
21. Describe the ancillary equipment (foundations, enclosures, electrical equipment, etc.).	Total Cost \$	
	Portion Claiming Tax Exempt \$	
	Exemption Factor 100% or _____%	Exemption Value \$
22. Describe the fans and motors. Distinguish between static pressure needed for the plant's HVAC and process applications, and that needed for air pollution control equipment.	Total Cost \$	
	Portion Claiming Tax Exempt \$	
	Exemption Factor 100% or _____%	Exemption Value \$
23. Describe the ductwork and hoods including the percentage of ductwork necessary for air pollution control purposes. (Do not include the percentage which is for the benefit of personnel).	Total Cost \$	
	Portion Claiming Tax Exempt \$	
	Exemption Factor 100% or _____%	Exemption Value \$
24. Describe miscellaneous costs (engineering costs, administrative fees, feasibility study costs, etc.).	Total Cost \$	
	Portion Claiming Tax Exempt \$	
	Exemption Factor 100% or _____%	Exemption Value \$
25. Value of recovered product. \$	Total \$	
26. Is equipment replacing an existing piece of equipment already having a tax exemption certificate? <input type="checkbox"/> Yes <input type="checkbox"/> No		
If Yes, enter the Tax Exemption Certificate number _____		

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Process Change Description

PART 6: ORIGINAL PROCESS AND ALTERNATIVE (THEORETICAL) CONVENTIONAL CONTROL					
27. AQD Source ID (SRN)		28. Emission Unit			
29. Describe the original process and the operational procedure of this emission unit, with specific attention paid to the portion(s) of the process being changed.					
30. Describe or list the air pollution control devices employed by the original process.					
31. Describe the type and magnitude of pollutants associated with this emission unit.			32. Permit Number/ Permit Exemption Rule		
33. Describe a control device that could have been employed to reduce emissions to the same extent as the process change. Give details concerning whether or not it could (physically) have been done, and whether or not it would be as effective as the process change at controlling pollution. (See Example 1 in instructions).			33. Estimated cost of theoretical /conventional control \$		

PART 7: NEW PROCESS - <u>The shaded area in items 43 and 44 are for Office Use Only.</u>			
34. Describe the process and the operational procedure of this emission unit, with specific attention being paid to the portion(s) of the process that were/are being changed. Provide plans, specifications and drawings showing position of equipment relative to outer shell of building.			
35. Describe the air pollution control devices employed by the new process. IMPORTANT: A TE-EQUIPMENT form should be submitted for equipment that is solely used for air pollution control.			
36. Describe the type and magnitude of pollutants associated with this new emission unit.			
37. Emission Unit	38. Permit Number/ Permit Exemption Rule (if diferent from item 28)	39. Beginning Date of Construction	40. Projected/Actual Completion
41. Total Cost of Process Change \$	42. Portion Claiming Tax Exempt \$	43. Exemption Factor 25% or _____%	44. Exemption Value \$
45. Value of Recovered Product \$	46. Is equipment replacing a piece of equipment already having a tax exemption certificate? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, enter the Tax Exemption Certificate number _____		

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GENERAL INSTRUCTIONS

One TE-SOURCE is **required** for each submittal; and **one or both** TE-EQUIPMENT or TE-PROCESS is also required. Complete the number of forms appropriate for your situation. Multiple TE-Process and TE-Equipment forms may be filed under one application. (Emission Unit) (**IMPORTANT: Forms must be fully completed (<http://www.michigan.gov>). An incomplete application will be returned to the preparer unprocessed.**)

To determine if certain equipment is eligible for tax exemption under Article II, Chapter 1, Part 59 of P.A. 451 of 1994, as amended, of the Michigan Air Pollution Control Laws, see "Tax Exemption Application Guidance Document." This document can be found on the DEQ Air Website under "Featured Publication."

For full consideration in the year in which the material is submitted, a complete application must be received by **June 15**. Mail **THREE COPIES** of the the completed forms and any supplemental information to:

Michigan State Tax Commission
Department of Treasury
430 W. Allegan Street
Lansing, MI 48922
Telephone No.: 517-373-3272

LINE-BY-LINE INSTRUCTIONS

Lines not listed are explained on the form.

TE-SOURCE

The TE-SOURCE provides general information about the facility including contact person and preparer identification. Complete a TE-SOURCE for each submittal. If additional space is required to complete an answer, attach additional pages.

Part 1: Source Identification

This section pertains to the facility where the air pollution control equipment is located.

Line 2. AQD Source ID (SRN). Enter the state registration number for your facility.

Line 3. Primary SIC Code. Enter the Standard Industrial Classification (SIC) code that best describes the major product or service produced. This code must be a four digit numeric code not ending in zero based upon the Standard Industrial Classification Manual (1987).

Part 2: Technical Contact/Preparer Information

Enter the name of the person who can respond to technical questions about the application. If the Preparer is different than Technical Contact Person, enter the Preparer information.

Part 3: Company Representative

The company representative should be an employee of the company that is seeking the tax exemption. The application response will be sent to the Company Representative. By signing and dating this application, the Company Representative authorizes the Michigan Department of Treasury to discuss this project with the technical contact person named in Part 2.

TE-EQUIPMENT

The TE-EQUIPMENT provides information about air pollution control equipment that may be eligible for tax exemptions. If a tax exemption is being sought for equipment from multiple emission units, complete a separate form for each emission unit. A **separate page** should be attached for each additional explanation. Each page must be identified as TE-Equipment or TE-Process along with the corresponding Emission Unit name from box 14. Applications with more than one explanation per page will not be accepted.

Example: Items 20, 23 and 24 may require additional space for explanation.

Part 4: General Information

Line 13. AQD Source ID (SRN). Enter the state registration number for your facility.

Line 14. Emission Unit. If the equipment is part of a Renewable Operating Permit, Permit to Install, or is reported in the Michigan Air Emission Reporting System (MAERS), it may have an emission unit associated with it. If so, enter the name of the emission unit to which it belongs. If not, the Michigan Department of Environmental Quality, Air Quality Division (DEQ/AQD), "Operational Memorandum No. 6" (available on the DEQ/AQD Web site at www.deq.state.mi.us/aqd/permits/permits.html.) describes emission units, and will assist you in defining one for your facility. **A separate TE-EQUIPMENT should be submitted for each emission unit.** Multiple TE-Process and TE-Equipment forms may be filed under one application. (Emission Unit)

Line 16. Permit Number/Exemption Rule. Enter the permit number or permit exemption rule that covers the process equipment. For help in completing this question, visit DEQ's Web site at: www.deq.state.mi.us/aqd/permits/permits.html.

Part 5: Equipment and Cost Details

Provide a description of the equipment associated with the air pollution control that is claimed to be exempt. Indicate "N/A" if the equipment is not applicable.

Consider incremental costs when providing the value to be considered for tax exemption. If a building is constructed solely for the purpose of protecting an air pollution control device, the entire cost of the building may be tax exempt. If, however, the size of the building is increased to allow for additional warehouse space, the entire cost of the building would not be tax exempt. (See Example 1 on page 2)

Line 25. Value of Recovered Product. Enter the commercial or

Example 1

A building is constructed to protect an air pollution control device and serve as a warehouse. To calculate the tax exempt portion, the applicant must determine the total cost of the building, less the cost of the portion of the building serving as a warehouse.

Total Cost of Building	\$100,000
Less Cost of Warehouse Portion	<u>(80,000)</u>
Tax Exempt Portion	\$20,000.

productive value derived from any materials captured or recovered by the air pollution control equipment calculated on a yearly basis.

TE-PROCESS

The TE-PROCESS provides detailed cost information about a process change that has contributed to an improvement in air emission. A tax exemption of up to 25% is awarded for eligible equipment. If a tax exemption is being sought for equipment from multiple emission units, complete a separate form for each emission unit. If additional space is required to complete an answer, attach additional pages. A **separate page** should be attached for each additional explanation. Each page must be identified as TE-Equipment or TE-Process along with the corresponding Emission Unit name from box 14. Applications with more than one explanation per page will not be accepted.

Example: Items 29, 30 and 35 may require additional space for explanation.

Part 6: Original Process and Alternative (Theoretical) Conventional Control

Line 27. AQD Source ID (SRN). Enter the state registration number for your facility.

Line 28. Emission Unit. If the equipment is part of a Renewable Operating Permit, Permit to Install, or is reported in the Michigan Air Emission Reporting System (MAERS), it may have an emission unit associated with it. If so, enter the name of the emission unit to which it belongs. If not, the Michigan Department of Environmental Quality, Air Quality Division, "Operational Memorandum No. 6" (available on the DEQ/AQD Web site at www.deq.state.mi.us/aqd/permits/permits.html.) will assist you in defining an emission unit for your facility. **A separate TE-PROCESS should be submitted for each emission unit.** Multiple TE-Process and TE-Equipment forms may be filed under one application. (Emission Unit)

Part 7: New Process

Line 37. Emission Unit. If the new equipment is part of a Renewable Operating Permit, Permit to Install, or is reported in the Michigan Air Emission Reporting System (MAERS), it may have an emission unit associated with it. If so, enter the name of the emission unit to which it belongs. It is possible that it will have the same name as that listed on line 28.

Line 41. Total Cost of Process Change. Enter the total cost of the process change, not including costs of air pollution control devices listed in TE-EQUIPMENT.

Line 42. Portion Claiming Tax Exempt. A standard 25% of costs associated with process changes is tax exempt. Enter the portion of the total cost for which you are claiming a tax exemption. (See example 2)

Example 2

Case 1: A \$200,000 process change to a coating line results in lower VOC emission. Theoretically, a thermal oxidizer and capture equipment could have had the same net decrease in emission, but would've cost \$100,000. In this case, a 25% tax exemption for the process change would be appropriate, thereby making \$50,000 eligible for tax exemption.

Case 2: A \$500,000 process change to a coating line results in lower VOC emission. Theoretically, a thermal oxidizer and capture equipment could have had the same net decrease in emission, but would've cost \$100,000. In this case, the \$100,000 control equipment addition would've had the same net effect, and is less than 25% of \$500,000 (\$125,000). Therefore, in this case, a tax exemption of \$100,000 would be issued, even though the \$500,000 process change was the actual action taken.

Line 45. Value of Recovered Product. Enter the commercial or productive value derived from any materials captured or recovered by the air pollution control equipment, calculated on a yearly basis. Include any financial benefit from increased production capabilities as a result of a change in the process.